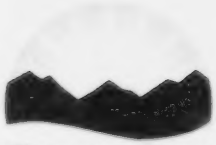
Ministry of
Agriculture, Food
and Fisheries

2004/05
Annual Service Plan Report



BRITISH
COLUMBIA

www.gov.bc.ca

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Agriculture, Food and Fisheries.
Annual Service Plan Report. — 2001/02/2002/03/2003/04 —

Annual.
Also available on the Internet.
Continues: British Columbia. Ministry of Agriculture, Food and Fisheries. Annual Service Plan Report (2003).
ISSN 1705-1061 = Service plan — British Columbia. Ministry of Agriculture, Food and Fisheries.

1. British Columbia. Ministry of Agriculture, Food and Fisheries — Periodicals. 2. Agriculture and state — British Columbia — Periodicals. 3. Food industry and trade — Government Policy — British Columbia — Periodicals. I. Title. II. Title: Ministry of Agriculture, Food and Fisheries Annual Service Plan Report.

TD194.68.C32B74 354.3'28'0971105 C2002-960245-9

For more information on the British Columbia Ministry of Agriculture, Food and Fisheries, contact:
Communications Branch

or visit our Website at
http://www.gov.bc.ca/al *

Published by the Ministry of Agriculture, Food and Fisheries

* *Refer to note on page 3.*

106-00483/

Table of Contents

Message from the Minister and Accountability Statement 5

Highlights of the Year 7

Ministry Role and Services 10

Report on Performance 20

Report on Resources 61

PLEASE NOTE: On June 16, 2005, the government ministries were re-organized to reflect the new cabinet responsibilities. Many of the website addresses and links in this printed report may have changed following the government re-organization.

- A list of the new ministries is available on the government website at http://www.gov.bc.ca — follow the links to Ministries and Organizations.
- An index of all 2004/05 Annual Service Plan Reports, with up-to-date website links, is available online at http://www.bcbudget.gov.bc.ca/annualreports/.

Message from the Minister and Accountability Statement

The 2004/05 - 2006/07 ministry service plan laid out a clear vision of how we were to carry out our activities to build a stronger and more resilient and responsive industry for the future; this annual report discusses the progress that we have made in fiscal 2004/05.

Over the past year the ministry and industry worked hard to meet the challenges of the Avian Influenza crisis, the ongoing consequences of the United States border closure due to Bovine Spongiform Encephalopathy, the impacts of Sudden Oak Death on our nursery and landscape industries, and a September snowfall on grain crops in the Peace River region.

Once again, our industry demonstrated courage and perseverance in responding positively to difficult issues. As the year comes to a close, all of this hard work is showing good results and, I believe, we can all look to a broader horizon.

I am particularly proud of our work with Avian Influenza which led to a national industry and community economic recovery program. We learned some valuable lessons and take very seriously recommended protocols for surveillance, bio-security and emergency response procedures in the management of animal health diseases for all livestock industries.

The National Beef Industry Repositioning Strategy, supported by the federal and provincial governments, is enabling the industry to better position itself to respond to market demands and reduce Canada's dependence on the shipment of live animals to the United States. The strategy has increased slaughter capacity in Canada, providing jobs for Canadians, which in turn helps support the British Columbia cattle industry to maintain jobs and security for communities in all parts of the province.

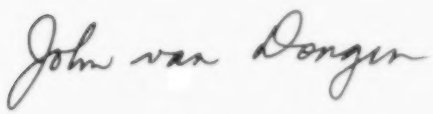
A Memorandum of Understanding signed with the federal government to implement a new Oceans Strategy on the pacific coast demonstrates our commitment to the management of our coastal resources and fisheries. We want to play our part in improving the sustainability of our fisheries and we see this new partnership, which will work towards a modern ocean management regime, as a positive step forward.

This partnership is enhanced through our creation of the Pacific Salmon Forum which, independent of the provincial government, will decide what priority issues need to be addressed, what research is needed and how to best ensure the sustainability of our vital salmon stocks.

Crisis has a way of testing our strength, and this year we proved to ourselves that we can take on challenges and find solutions that lift our standards higher for the betterment of both industry and all British Columbians. We did this through teamwork and cooperation among all levels of government, First Nations, industry groups and communities. And, we did this because we all know that achieving our goals of a vibrant rural economy, healthy

living and an abundant fishery resource depends on growing, profitable and environmentally sustainable agriculture and seafood industries.

The 2004/05 Ministry of Agriculture, Food and Fisheries Annual Service Plan Report compares actual results to the targets identified in the ministry's 2004/05 – 2006/07 Service Plan. I am accountable for these results as reported.



Honourable John van Dongen
Minister of Agriculture, Food and Fisheries

June 9, 2005

Highlights of the Year

British Columbia's agriculture, food and fisheries sectors are important contributors to the provincial economy. They generate significant income and employment at the primary, processing/manufacturing, retail and food service levels.

There are challenges to the stability and growth potential of these sectors. For example, global markets are highly competitive, well subsidized and still have trade barriers in place, as well as changing standards. Consumers are more aware and demand greater information, along with wider choices and experiences. Business development is moving from a focus on production to one driven by the market. The Avian Influenza crisis, ongoing consequences of the U.S. border closure due to Bovine Spongiform Encephalopathy, impacts of Sudden Oak Death on our nursery and landscape industries, and an early September snowfall on grain crops in the Peace River region have highlighted the need for maintaining current programs and regulations.

In 2004/05, the ministry achieved several milestones that will continue to improve the competitive position of B.C.'s agriculture, food and fisheries sectors, while providing safe, sustainable, high-quality food for consumers and export markets. Significant achievements in 2004/05 include:

Renewing Fisheries and Aquaculture

- Established the Pacific Salmon Forum to provide independent and open discussion on science, policy and regulatory issues with a view to protecting wild salmon stocks, increasing public confidence in fisheries management — particularly in aquaculture — and enhancing aquaculture in coastal communities. The Nanaimo-based forum is comprised of representatives from coastal communities, the fishing industry and First Nations.
- Signed a Memorandum of Understanding with Ottawa to implement the federal Oceans Strategy on the West Coast. Canada and British Columbia have agreed to jointly develop six sub-agreements on implementation measures. These measures include a marine protected areas framework, sharing information related to offshore oil and gas resources, and streamlining and harmonizing regulatory decision-making for aquaculture.
- Continued the implementation of a comprehensive regulatory regime for aquaculture addressing fish health, fish escapes and waste management, and included a sea lice strategy which requires monitoring on all salmon farms. Action levels set for fish farmers to manage sea lice in 2005 are among the most stringent in salmon-farming countries, helping ensure the potential impact on wild stocks is negligible. The ministry also committed to audit farms more frequently during smolt out-migration.
- Released the fourth annual Inspection Report on Marine Finfish Aquaculture Sites, showing high compliance with general licensing requirements and the amended Aquaculture Regulation, which includes escape prevention activities. Results clearly

demonstrate the ministry is conducting its regulatory role effectively by monitoring, auditing and enforcing the aquaculture regulatory framework.

Food Safety and Quality

- Identified the Avian Influenza outbreak in the Fraser Valley poultry industry. The ministry worked with the Canadian Food Inspection Agency to contain and eradicate the virus and help restore the industry to normal function. A follow-up national forum, lead by the ministry, aimed to apply lessons learned from the B.C. experience to any further disease outbreaks. A $3.25-million fund to support industry-led implementation of enhanced bio-security and surveillance measures was established to reduce the risk of future occurrences of foreign animal disease outbreaks in B.C., and to foster research in rebuilding the Fraser Valley poultry industry.
- Facilitated the enhanced disaster response capability of the Animal Health Centre in Abbotsford. This centre played a key role in responding to the Avian Influenza crisis, and is accredited as a full service diagnostic laboratory by the prestigious American Association of Veterinary Laboratory Diagnosticians, one of only two in Canada.
- Partnered with the federal government to provide $80 million in short-term financial assistance to farmers and ranchers affected by BSE, and worked with the meat processing sector — through the new Meat Industry Enhancement Strategy — to facilitate capacity expansion, reduce operating challenges, and develop a consistent approach to food safety. The ministry also collaborated with the Ministry of Heath Services in implementing new provincial meat inspection regulations.
- Developed a new provincial wine standards regulation, the Wines of Marked Quality Regulation. It will allow producers in B.C.'s premium grape and wine industry to expand their markets by ensuring that all wine made from 100 per cent B.C. grapes, identified with a provincial geographical indication, meets consistent and enforceable standards for quality and truth in labeling. This is good news for consumers who want to be confident the products they consume are safe and high in quality. The province designated the British Columbia Wine Authority to administer the program.

Sustainable Environment

- Signed agreements with five farm organizations to deliver Environmental Farm Planning (EFP) programs to agricultural producers under the Agricultural Policy Framework. British Columbia has completed 112 environmental farm plans and conducted 168 EFP workshops with 1,620 producers.
- Facilitated the establishment of the new Invasive Plant Council of B.C. to build cooperation and coordination to protect B.C.'s environment and minimize negative social and economic impacts caused by the introduction, establishment and spread of invasive plants. Funding of $2.35 million was provided to support the launch of two pilot projects to demonstrate locally-based implementation of Crown land noxious weed control programs.

Strong and Vibrant Economy

- Supported the establishment of a British Columbia Food Processors Association to develop industry-led ideas, markets and programs to support the food processing industry.
- Facilitated launch of the B.C. BioProducts Association to represent businesses with interests in a range of bioproducts from biodiesel, bioethanol, wood pellets, biomaterials, food products and nutraceuticals. The bio-economy represents a significant growth area for the province based on our relative abundance of sources, including agricultural, marine, forestry and various waste streams, to generate products.
- Appointed the B.C. Agri-Food Trade Council to respond to international and inter-provincial trade negotiations, providing the entire food and agriculture industry with timely and up-to-date information on current trade issues, honing a competitive edge and allowing the industry to take advantage of world markets.
- Established a $3.5-million Science and Innovation Fund, providing increased opportunities for the B.C. agriculture, food, beverage and agri-biotechnology sectors to move innovative ideas through research to market. The fund will help improve productivity, competitiveness, quality and variety in the industry and will coordinate and focus innovation, research, development and commercialization among industry, academic institutions, research institutes and government partners.
- Established a 2010 Industry Opportunities Fund to promote B.C. food and beverage products and growing agriculture and cuisine tourism opportunities leading up to the 2010 Olympic and Paralympic Winter Games. The province's agri-food, seafood and beverage businesses, restaurants and agri-tourism companies will develop products and services to meet an additional $250 million in spending on food and beverages expected each year over the next decade.

Ministry Role and Services

Vision, Mission and Values

Vision

A competitive and profitable industry that is environmentally and socially sustainable and provides safe, high-quality food for consumers and export markets.

Mission

Deliver programs that maintain a positive business climate for a competitive market-responsive agri-food and fisheries sector, promote environmental and social sustainability, and safeguard B.C.'s ability to provide safe and high-quality British Columbia agri-food and seafood products for consumers.

Values

The following values outline the fundamental beliefs of the ministry and describe how the organization and its employees interact with clients and each other. The ministry strives to conduct its business effectively and in a manner that is:

1. Fair and Equitable — building and maintaining among ministry personnel an effective spirit of teamwork and co-operation based on trust, integrity, flexibility, innovation, social equity and equality of opportunity.
2. Responsible and Accountable — emphasizing responsible use of government resources and transparency in accounting for the use of those resources.
3. Service-oriented — responding to the needs of the public, agriculture and fisheries sector groups, communities and staff in a timely and courteous manner.
4. Partnership-Building — promoting teamwork, good working relationships and effective partnerships with, and co-operation among, all orders of government, First Nations, agriculture, aquaculture and fisheries sector groups and communities.

Ministry Overview, Core Business Areas and Structure

Ministry Overview

The ministry's mandate is to create an environment in which the agriculture, food and fisheries sectors prosper and contribute to the British Columbia economy, while delivering high-quality and safe products to consumers within a context of environmental sustainability. The mandate supports the corporate goals of a strong and vibrant economy, safe healthy communities and a sustainable environment.

Ministry programs relate to the production, marketing, processing and merchandising of agricultural and seafood products. Its' stakeholders include B.C. producers (agriculture, aquaculture and fisheries) and the entire food system from primary producer to retail, consumers and citizens.

Some 30 statutes are administered by the ministry that ensure responsible approaches to the public interest concerning food safety/quality, the environment, pest and disease management, appropriate farm practices, licensing, risk management and marketing. Many of these statutes are administered in partnership with other agencies, including municipal, provincial and federal governments.

The ministry has 326 full-time equivalent positions located in communities across the province. It is organized into 15 branches within three divisions:

1) Resource Development and Sustainability;
2) Risk Management and Competitiveness; and
3) Executive and Support Services.

The ministry partners with federal agencies such as Agriculture and Agri-Food Canada (AAFC). The partnership with AAFC has been formalized with the Agriculture Policy Framework[1] and implementation agreements.

Other federal partnerships include the Canadian Food Inspection Agency (food safety and quality) and Fisheries and Oceans Canada (aquaculture and fisheries). The ministry partners with provincial ministries and agencies including, but not limited to:

- Ministry of Health Services, B.C. Public Health Agency and B.C. Centre for Disease Control (food safety and healthy eating);
- Ministry of Water, Land and Air Protection (waste management, aquaculture and fisheries);
- Ministry of Sustainable Resource Management, Ministry of Transportation and Agricultural Land Commission (invasive plant management);
- Land and Water British Columbia Inc. (aquaculture licensing);

[1] APF is a five-year implementation agreement with the federal government, addressing the delivery of agriculture policy in food safety, environmental sustainability, risk management, and renewal, science and innovation. The framework was developed by federal, provincial and territorial Ministers of Agriculture.

- Ministry of Forests (range and invasive plant management); and
- Farm Industry Review Board (regulated marketing and farm practices).

In addition, the ministry partners with industry stakeholder groups to deliver programs that foster economic growth and environmental sustainability objectives.

Core Business Areas

Services and programs delivered by the ministry are divided into six core business areas:

1. Industry Competitiveness

This area promotes industry self-reliance and growth by reducing regulatory burden for farm businesses, providing online access to information and expertise, facilitating investment in the bio-based economy, and influencing international and inter-provincial trade negotiations and disputes.

2. Fisheries and Aquaculture Management

This area promotes economic growth and environmental sustainability, harmonizes policies and regulations at the federal and provincial levels and strengthens monitoring and enforcement regimes in the fisheries and aquaculture sectors. In addition, fisheries and aquaculture management participate in coastal and marine planning, and builds awareness of B.C.'s fisheries and aquaculture practices and economic benefits.

3. Food Safety and Quality

This area of the ministry provides disease diagnostic services to enable rapid identification and containment of foreign animal and plant diseases, and invasive species that adversely impact economic activity in the agriculture, food and fisheries sectors and threaten the biodiversity of the province's ecosystems. Food Safety and Quality also promotes science-based approaches to food quality and product tracking.

4. Environmental Sustainability and Resource Development

Environmental Sustainability and Resource Development provides services and programs that improve industry management of soil, waste, air and water, promotes cooperation and understanding of farm and aquaculture practices within local government and communities, improves access to Crown and agricultural resources and improves the fit between local regulations and agriculture and aquaculture activities.

5. Risk Management

Services and programs provided by this area develop, promote and deliver risk management products such as the Canadian Agriculture Income Stabilization Program (CAIS) and Production Insurance. These products assist the agriculture sector in managing risks beyond the farmer's ability to control, such as weather and market prices. In addition, they help the province manage its financial exposure to industry demands to respond to these types of risks. This business area also covers the regulated marketing agencies.

6. Executive and Support Services

Executive and Support Services broadly support the five other core business areas. It consists of the Strategy, Policy and Legislation Services Division, Corporate Services Division and Deputy Minister's Office. Key services provided include strategic planning, legislative and policy support, financial management, human resources and performance strategies.

Ministry Operating Context

Within an effective government policy framework, B.C.'s agriculture, food and fisheries sectors can continue to achieve economic growth while managing environmental and social expectations. The development of this framework and the ministry's performance has been influenced by many factors.

During the last decade, employment and production in the agriculture, food and fisheries sectors have remained steady or continued to grow when many other sectors have declined or lost markets due to trade issues or global or local recession. This resilience provides a stabilizing influence on many of B.C.'s resource-based communities.

Strengths

Economic Contribution

The food system is an important contributor to the B.C. economy, with nearly $23 billion in consumer sales and more than 282,000 jobs supported in B.C. The agriculture, food and fisheries sectors within the food system are diverse, with more than 200 commodities being produced in agriculture and some 100 species of fish and shellfish harvested or raised in B.C. waters. The province has over 2,400 food processing businesses as part of the food system. This provides many opportunities for innovation, adding value and marketing.

Size and Scale

The smaller-sized food businesses in British Columbia enable the food system to be more responsive and adaptable to changes in the marketplace. Continued industry efforts to diversify with higher-value products and target niche markets, supported by government improving market access, is a strength of the B.C. industry.

Regulatory Reform

The province's shift to outcome-based regulations enables innovation and provides industry greater flexibility in responding to regulatory requirements that safeguard the public interest. New policy and governance mechanisms in the regulated marketing commodity sectors increase flexibility and market responsiveness.

Challenges

Global markets for agricultural and seafood products are highly competitive.

B.C.'s agriculture, food and seafood industries compete in international markets where competitors with similar or lower cost structures enjoy greater economies of scale and create downward pressures on food commodity prices. Some competitors, including those in Europe, the United States and Japan, receive large government subsidies, and B.C.'s access to markets is often reduced by trade and non-trade barriers. The higher value of the Canadian dollar in 2004 has had a detrimental impact on exports, particularly in B.C.'s export-dependent seafood and horticulture industries.

The seafood industry is in transition.

The seafood industry has been impacted by fluctuations in wild fish populations, uncertainty over access, risk-averse fisheries management decisions, competition in the marketplace, and downturns in the economies of countries that have been traditional export markets. The seafood industry's business development is moving from a production approach to one that is more market-driven where the focus is on diversification, new product development and expansion.

Consumer concerns about food safety.

The Avian Influenza outbreak in the Fraser Valley has heightened consumer interest in the safety and quality of their food and water, and in border security. This increases the challenge to the agriculture, food and seafood industries to provide assurance that products from farms and firms meet recognized safety standards. The implementation of systems for standards, certification and product tracking/tracing is costly, time-consuming and rarely results in increased returns to the producers.

Environmental values must be balanced with economic viability.

Public concern about the environment (and, increasingly, animal welfare) is high, and industry growth must be managed in an environmentally sustainable way. With the highest ratio of livestock-to-land base in Canada, manure volumes are putting environmental pressure on Fraser Valley farms. B.C. has included livestock methane emissions as part of its climate change strategy. In addition, maintenance and expansion in the British Columbia aquaculture industry must ensure environmental values and standards are respected.

Governments are key partners in building a prosperous economy.

There is extensive overlap in jurisdiction and interests among all orders of government. Effective relations with the federal government, other provinces, First Nations and local governments are an ongoing challenge, and are essential to achieving B.C.'s agri-food and fisheries sector interests.

Extreme weather patterns and market prices increase the vulnerability of the sector.

The agriculture and fisheries industries are challenged by significant and unpredictable weather conditions, market situations and disease crises. Early snowfalls can reduce yield and quality of a promising crop. Many regions of the province experience drought conditions more frequently. Bumper crops in competing jurisdictions or increased production from newly exporting countries have a significant impact on prices for B.C. commodities. These weather and market conditions create wide fluctuations in income and prices, leading to instability for farmers and processors and the economies of local communities. These risks can affect investment decisions at the farm level and can lead to under-investment that may affect output and efficiencies in the long run.

New Era Commitments

New Era Commitment	Key Projects	Progress and Actions to Date
Adopt a scientifically-based, principled approach to environmental management that ensures sustainability, accountability and responsibility.	Develop a strategic plan to renew the fisheries industry.	***Progress: Ongoing*** The first draft of a comprehensive government-wide Fisheries Strategic Framework has been completed, based on the B.C. Seafood Sector and Tidal Water Recreational Fishing SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis and other reports. A major review of the Pacific Fisheries (the Federal Provincial Task Group on Post-Treaty Fisheries) was completed. Follow-up work by the ministry yielded the federal announcement of a Pacific Fisheries Renewal Strategy. The strategy will be implemented in 2005/06 and will facilitate progress in treaty negotiations, enhance the performance of the Pacific fisheries and demonstrate the effectiveness of joint approaches to fisheries policy-making. The Pacific Salmon Forum was established. The forum will provide independent recommendations and options relating to science, policy and regulatory issues in the marine environment. Forum objectives include: • Protecting and enhancing the viability of wild salmon stocks and their economic, social and environmental benefits to British Columbians. • Increasing public confidence in fisheries management generally, and in aquaculture in particular, in the marine environment. • Enhancing economic, social and environmental sustainability of aquaculture for all coastal communities.

New Era Commitment	Key Projects	Progress and Actions to Date
	Examine the potential for growth of the aquaculture sector in a manner that minimizes environmental impacts.	***Progress: Significant Progress-Ongoing*** The ministry has continued to expand opportunities for salmon aquaculture in a science-based environmentally sustainable way. Provincial support and involvement in activities of the BC Aquaculture Research and Development (BCARD) committee, including funding allocations for six projects relating to environmental sustainability, has also been continued. Other investments in science facilitated by the ministry include: • Federal/provincial funding to the Centre for Shellfish Research at Malaspina University-College, to expand their environmental research capacity. • Federal/provincial funding to establish a Centre for Aquatic Health Science in Campbell River. • Filling the provincially co-funded chair position in Sustainable Aquaculture at the University of British Columbia. • Funding for two graduate positions at UBC under the chair of Sustainable Aquaculture. The ministry has minimized environmental impacts of the growth of aquaculture through: • Addressing, by relocation or by amending operations, the previous siting issues for 37 farms identified in 2000. The relocations and amendments promote sustainable responsible production. • Carrying out investigation of all reported escape events. These inspections, and subsequent follow-up, ensure the industry has complied with the environmental standards established by government. • Signing the Fish Health Memorandum of Understanding (MOU) with Fisheries and Oceans Canada (DFO) for mandatory Fish Health Management Plans, to satisfy federal requirements. • Supporting DFO with environmental reviews of farms by providing staff and the modeling analysis tool for all tenure renewal and new farm sites. • Conducting inspections of all finfish farms (76 inspections in total) to assess waste management and escape standards to ensure that industry is complying with environmental standards as required.

***New Era* Commitment**	**Key Projects**	**Progress and Actions to Date**
Increase access to Crown lands and resources, to create jobs in tourism, mining, forestry, farming, ranching, and oil and gas.	Participate actively in supporting the success of the Ministry of Sustainable Resource Management (MSRM).	***Progress: Ongoing*** The ministry supported the success of MSRM by: • Continuing active participation in broader government initiatives to promote successful development and implementation of resource management policies, including the Oceans MOU, Living Rivers Strategy, *Endangered Species/Species at Risk Act* and land-use plans. • Assisting MSRM to make informed and balanced decisions in the development of coastal zone management plans relating to aquaculture. • Conducting agricultural capability and suitability assessments in strategic areas to identify Crown lands best suited for agricultural production. • Environmental review guidelines for applications received under the Extensive Agriculture Program for unplanned areas were developed and adopted for use by LWBC. • Assisted MSRM with completion of four coastal plans to support sustainable marine development and diversification for Quatsino Sound, the Malaspina and Okeover Inlets system and Johnston-Bute Inlet. • 12,000 hectares of Crown land identified for agriculture expansion in the Morice Forest District. • 15,955 hectares of Crown land identified for agriculture expansion on Vancouver Island. • Capability and suitability analysis projects initiated in the Cariboo, Bulkley and East Kootenay areas.

New Era Commitment	Key Projects	Progress and Actions to Date
Push for provincial control over the management and revenues of B.C.'s offshore fisheries, to improve fisheries management and protect fishery jobs.	With the Minister of State for Intergovernmental Relations, negotiate to increase provincial influence and represent provincial interests in federal fisheries management decision-making processes.	***Progress: Ongoing*** Change in strategic direction was initiated through the Joint Task Group on Post-Treaty Fisheries to enable viable salmon fisheries and progress on treaty settlements, and to demonstrate the mutual advantage of a joint approach to fisheries decision-making. B.C. continues to engage Fisheries and Oceans Canada (DFO) through the Pacific Council of Fisheries and Aquaculture Ministers (PCFAM) in a more structured and disciplined relationship to better advance provincial objectives for fisheries management and economic development. Bilateral and reciprocal agreements, committees and boards were established to assist with the management of fisheries and aquaculture. The ministry participated in various processes and committees to ensure provincial issues and concerns are recognized. Highlights include: • The Hake Sharing Agreement between the U.S. and Canada was approved in principle, but has to be ratified by the U.S. government. The proposed agreement will ensure that Canada/B.C. will have a say in development of the annual Total Allowable Catch (TAC); currently the final decision on TAC rests with the U.S. fisheries council. • The Reciprocal Tuna Access Agreement with the U.S was ratified and implemented last year. The ministry continues to be active on the DFO Tuna Advisory Board, where the regime to limit access to the U.S. zone was developed. • The Integrated Herring Harvest planning committee, comprised of industry, First Nations, DFO, the ministry and environmental non-government organizations (ENGOs), was established and is focusing on the planning process for the herring fisheries. • With representation from the fishing industry and all orders of government, the Sardine Harvest Board was established, providing advice to DFO on fishing plans for sustainable sardine fisheries. • The Commercial Groundfish Integrated Advisory Committee is in the process of developing an integrated management plan for all groundfish species. Integration will encourage its individual sectors to create a management regime designed to ensure conservation of all groundfish stocks. The plan is expected to be operational and in place by 2006. • The ministry, along with the Ministry of Water, Land and Air Protection, continue to be key players in the Inshore Rockfish/Lingcod Conservation Strategy. A total of 89 Rockfish Conservation Areas have been created with another 13 due for implementation in 2005. Lingcod stocks are rebuilding in the Strait of Georgia and, as a result, DFO is considering a limited restart to the inside lingcod fishery.

Report on Performance

Overview of Ministry Goals and Linkage to Government Strategic Goals

In February 2004, the government of British Columbia released the 2004/05 – 2006/07 Ministry of Agriculture, Food and Fisheries Service Plan. The plan was prepared in accordance with the *Budget Transparency and Accountability Act* and outlined specific goals, objectives and strategies for the ministry, and established performance measures and targets by which performance can be assessed and reported. The annual service plan report communicates the ministry's achievements in 2004/05 by core business areas in relation to ministry goals.

The Ministry of Agriculture, Food and Fisheries supports the government's strategic goals of safe, healthy communities and a sustainable environment; and a strong and vibrant economy through achievement of the following ministry goals:

- Agriculture, food and fisheries sectors are competitive in a global economy, and provide economic benefits and stability to British Columbia;
- Optimum benefits to British Columbia from fisheries and aquaculture;
- Safe high-quality B.C. products from sustainable agri-food systems;
- Environmentally sustainable development of the agriculture, food and fisheries sectors;
- Reduced impact of income declines for farmers in agricultural sectors affected by disasters; and
- Effective policy framework and administrative and financial systems in place that facilitate the ministry's achievement of its service plan objectives and ensures the ministry is well positioned for the future.

The ministry has included tables under each objective, describing key risks and opportunities, related strategies supporting mitigation of acknowledged risks, and associated performance highlights for the 2004/05 year.

Report on Results

Goal 1: Agriculture, food and fisheries sectors that are competitive in a global economy, and provide economic benefits and stability to British Columbia.

Core Business: Industry Competitiveness

The ministry's goal to assist industry to be competitive and realize economic benefits in an environmentally and socially sustainable manner supports the provincial goals of a strong and vibrant economy and safe, healthy communities and a sustainable environment.

Performance Measures and Results

Performance Measure: Per cent yearly growth in agriculture, food and fisheries sectors

Competitiveness in a global market is directly affected by the ability to access domestic and international markets. This was monitored by tracking the dollar value of both export and the domestic market share for B.C. agriculture, food and fisheries products.

Results:

Agriculture (farm cash receipts) — Target Exceeded — Yearly growth in agriculture exceeded target due mainly to substantial increases in crop and program receipts, outweighing impacts of Bovine Spongiform Encephalopathy and Avian Influenza in the livestock sector.

Food and Beverage (manufacturing shipments) — Fractionally Below Target — The negligible negative variance in food and beverage shipments was due to the affects of Bovine Spongiform Encephalopathy on the value of beef shipments and Avian Influenza on the quantity of poultry shipments.

Fish (landed values) — Target Not Met — The negative variance in fish sector was due to higher value of Canadian dollar, depressed export prices for farmed salmon and herring roe products, and a leveling-off of farmed salmon production due to higher harvest levels in 2002 on existing farms (following the moratorium).

Performance Measure	Year	Target[1,2]	Actual[1]	Variance
Per cent yearly growth in agriculture, food and fisheries sectors:				
Agriculture — Farm Cash Receipts	**2004/05**	2% growth over previous year (e.g., $2.329 bil.)	5.3% growth or $2.403 bil.[3]	3.3% above target $0.07 bil. above target
	2003/04		3.9% growth or $2.283 bil.	
	2002/03		1.2% decline or $2.197 bil.	
	2001/02		8.6% growth or $2.224 bil.	
	2000/01		$2.048 bil.	
Food and Beverage — Manufacturing Shipments	**2004/05**	3.5% growth over previous year (e.g., $6.190 bil.)	2.9% increase or $6.153 bil.[3]	0.6% below target $0.037 bil. below target
	2003/04		2.9% growth or $5.981 bil.	
	2002/03		5.7% growth or $5.812 bil.	
	2001/02		6.9% growth or $5.497 bil.	
	2000/01		$5.140 bil.	
Fisheries — Landed Value	**2004/05**	4% growth over previous year (e.g., $654.7 mil.)	1.7% increase or $640.0 mil.[4]	2.3% below target $14.7 mil. below target
	2003/04		4.8% decline or $629.5 mil.	
	2002/03		2.2% increase or $661.4 mil.	
	2001/02		2.9% decrease or $647.2 mil.	
	2000/01		$666.5 mil.	

[1] Source: Statistics Canada, figures as at calendar year-end.

[2] Variance of targeted amount actual figure due to revisions completed by Statistics Canada after the release of the 2004/05 – 2006/07 service plan.

[3] Includes Statistics Canada May revision.

[4] Actual figure not available. Landed values outlook provided by ministry for 2004. First draft of preliminary estimates will be available end of June 2005.

The 2004/05 - 2006/07 ministry service plan included the performance measure: *Per cent yearly growth in GDP of the agriculture, food and fisheries sectors*. Owing to the critical challenge of timeliness and frequency of revisions for the GDP series for agriculture, fisheries and food and beverage; the ministry has abandoned the measure, but will continue to track progress for the objective using per cent yearly growth in agriculture, food and fisheries sectors.

Objective 1: *Increased ability to access domestic and international markets*

Access to both domestic and international markets substantially affects the ability of agriculture, food and fisheries sectors to remain competitive in a global economy. Increased access to markets and a positive business and investment climate support continued growth, economic benefits and stability for B.C.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Opportunity: New trade agreements expand markets for B.C. products. **Risk:** Subsidies, border measures, trade remedy actions and new international standards by other governments disrupt trade and close markets. Outcome of trade negotiations challenges B.C.'s agriculture, food and seafood competitiveness. Disease outbreak in livestock, seafood, or nursery sectors results in closure of border and export markets for B.C. producers.	Address international and inter-provincial trade barriers affecting B.C. agriculture, food and seafood products through trade negotiations and agreements.	• Improved relations with neighbouring U.S. states, fostered strategic alliances and increased the profile and awareness of B.C.'s key agriculture, food and seafood trade concerns through such groups as the Tri-National Accord and Pacific NorthWest Economic Region. • Avoided barriers to exports for the nursery and floriculture industries due to a variety of issues, including Sudden Oak Death. Cross-border industry collaboration was encouraged through Pacific Northwest region government-industry meeting. • Continued to engage the B.C. Agri-Food Trade Council to respond to international trade negotiations and facilitated ability to influence the outcome of international trade negotiations and disputes. • Inter-provincial trade barriers to B.C. vegetable oil-based product successfully challenged and eliminated under the internal trade agreement.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Opportunity: Agriculture sectors can shift into innovative new markets, such as bio-products, meeting market demands for alternate products and obtaining a share of the market. **Risk:** Required international quality standards not in place for B.C. commodities, impeding B.C.'s ability to compete in the global market. Lack of industry investment hinders ability to diversify and add value through innovative agriculture, food and seafood products.	Improve the competitiveness of specific industry sectors by encouraging diversification and innovation, and adding value.	• Strengthened investment in the B.C. wine industry through the Wines of Marked Quality Regulation. A recent survey indicated the grape wine industry made an estimated $35 million in capital investments during the fiscal year ending in 2004. • Worked with the meat processing sector, through the new Meat Industry Enhancement Strategy, and collaborated with the Ministry of Heath Services to implement new provincial meat inspection regulations. The goal was to enhance B.C.'s meat processing capacity and support development of new market opportunities. • Established a $3.5-million Science and Innovation Fund, providing increased opportunities for the B.C. agriculture, food, beverage and agri-biotechnology sectors to move innovative ideas through research to market. • Established First Nations 2010 Agriculture Initiative, designed to assist First Nations in strengthening their agriculture production base and to create a marketing and distribution system.
Risk: Agriculture industry statistics and data are not available, resulting in an inability to strategically plan for the sector's future.	Provide industry with online access to government and sector information expertise.	• Improved the online access to government and sector information through increased usage of InfoBasket, an online tool, by providing short courses and seminars at the Pacific Agricultural Show.

Performance Measures and Results

Performance Measure: $ value of exports for agriculture, food and seafood

The $ value of exports for agriculture, food and seafood products demonstrates B.C.'s international market share.

Results — Target Exceeded — Exports increased over target due largely to an increase in non-fish agriculture and food products.

Performance Measure	Year	Target[1]	Actual[1]	Variance
$ value of exports for agriculture, food and seafood products.	**2004/05**	4% growth over previous year (e.g., $2.51 bil.)	7.5% growth or $2.59 bil.	3.5% above target $0.08 bil. above target
	2003/04		$2.41 bil.	
	2002/03		$2.45 bil.	
	2001/02		$2.38 bil.	

[1] Source: Statistics Canada, figures as at calendar year-end.

Performance Measure: Number of industries/communities accessible via Infobasket

InfoBasket supports a positive business climate and industry investment in new products, market niches, technologies and value-added opportunities by providing strategic industry information.

Results — Target Exceeded — As a result of greater industry support the ministry exceeded its target.

Performance Measure	Year	Target[1]	Actual[1]	Variance
Number of industries/communities accessible via InfoBasket.	**2004/05**	20	22	2 above target 10% above target
	2003/04		16	
	2002/03		13	
	2001/02		6	
	2000/01		2	

[1] Source: Ministry of Agriculture, Food and Fisheries.

Objective 2: *A positive business and investment climate within the B.C. agriculture, food and fisheries sectors.*

The ministry facilitates a positive business climate that attracts investment by ensuring the regulatory environment does not pose unnecessary costs to producers and processors. It also delivers activities that help the sector act on opportunities for innovation, which is improving competitiveness and supporting a strong and vibrant economy for B.C.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Risk: Regulatory environment and barriers do not allow flexibility for agriculture, food and fish industries, resulting in an inability to remain competitive and profitable.	Reduce regulation and barriers to improve the industry's ability to be profitable.	• Encouraged federal extension of the Seasonal Agriculture Worker Program to B.C. farmers, allowing workers from out-of-province to harvest crops where local labour is unavailable. • Worked with industry and CFIA to introduce and establish certification and inspection programs in response to the outbreak of Sudden Oak Death in many B.C. ornamental nursery plants.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Opportunity: Small size of industry allows the sector to quickly react and change to new markets and opportunities. **Risk:** Lack of industry strategic planning may result in an inability to compete in the global marketplace. B.C. is not represented at forums for new international or national opportunities; as a result, B.C. does not receive the investor attention it deserves. New challenges emerge and industry is not able to respond in a united manner, resulting in loss of market share.	Identify opportunities to improve the competitiveness of B.C.'s agriculture and food sectors.	• Facilitated establishment of the B.C. Food Processors Association to develop innovative ideas, markets and programs to support the food processing industry. • Established a 2010 Industry Opportunities Fund of $1 million to promote B.C. food and beverage products and agriculture and cuisine tourism opportunities leading up to the 2010 Olympic and Paralympic Winter Games. • Sponsored a B.C. Agri-food Outlook Forum for discussion around the strategic direction of the sector. • Facilitated launch of the B.C. BioProducts Association, advancing business interests in innovation and diversification in a range of bioproducts including biodiesel, bioethanol, wood pellets, biomaterials, food products and nutraceuticals. • Ensured the B.C. Life Sciences Initiative included agri-food and marine/fish sections. • Worked with the Ministry of Health Services on the ActNow! (previously Healthy B.C.) strategy to support healthier lifestyle choices for British Columbians.
	Promote self-funding mechanisms for producers and processors to promote independence and innovation.	• B.C. Culinary Tourism Society established to provide chefs and restaurants opportunity to address any issues in a collective forum.

Performance Measures and Results

Performance Measure: Per cent reduction in regulations (ministry-controlled).

A key measure for examining progress in creating a more positive business and investment climate is the reduction of regulations.

Results — Exceeded Target.

Performance Measure	Benchmark	2004/05 Target	2004/05 Actual	2004/05 Variance
Per cent reduction in regulations (ministry-controlled).	4,538 regulatory requirements (June 2001).	Reduce baseline by 33% to approximately 3,000 requirements.	Reduced baseline by 38.4% to 2,797 requirements.	5.4% above target

Performance Measure: $ value of industry investment for Agriculture, Fisheries and Food and Beverage.

Results:

Agriculture — Target Not Achieved — While the disrupting impact of Avian Influenza was short lived in 2004, the continued border closure for cattle contributed to a poor cattle market and sharply reduced incomes for cattlemen, particularly in breeding operations. As a result, new investment in agriculture declined overall.

Fisheries and Food and Beverage — Target Exceeded — A strong upturn in new investment was due to the improved business climate; significant factors driving this include: reductions in corporate income tax rates, a higher threshold for small business income taxes, elimination of capital tax on non-financial institutions and expanded sales tax exemptions for production machinery and equipment used in the manufacturing sector.

Performance Measure	Year	Target[1]	Actual[1]	Variance
$ value of industry investment:				
Agriculture	**2004/05**	3% growth over previous year (e.g., $212.7 mil.)	2.3% decrease $201.7 mil.	5.3% below target $11.0 mil. below target
	2003/04		$206.5 mil.	
	2002/03		$221.0 mil.	
	2001/02		$178.7 mil.	
	2000/01		$174.2 mil.	
Fisheries[2]	**2004/05**	3% growth over previous year (e.g., $23.5 mil.)	3.5% increase $23.6 mil.	0.5% above target $0.1 mil. above target
	2003/04		$22.8 mil.	
	2002/03		$18.0 mil.	
	2001/02		$18.6 mil.	
	2000/01		$18.6 mil.	
Food and Beverage Manufacturing	**2004/05**	4% growth over previous year (e.g., $140.5 mil.)	47.7% increase $199.6 mil.	43.7% above target $59.1 mil. above target
	2003/04		$135.1 mil.	
	2002/03		$143.6 mil.	
	2001/02		Not available	
	2000/01		$128.5 mil.	

[1] Source: Statistics Canada, figures as at calendar year-end.

[2] Aquaculture figures not available at this time from Statistics Canada, only includes fisheries sector.

Goal 2: Optimum benefits to British Columbia from fisheries and aquaculture.

Core Business: Fisheries and Aquaculture

Fish and fisheries are of great social, cultural, economic and environmental importance to British Columbia. Marine commercial and recreational fisheries, seafood processing and aquaculture contribute substantially to the economy of B.C. and its coastal communities. Sector success will further support the ministry in meeting its vision of a competitive, profitable and sustainable industry, providing safe, high-quality seafood products. It will also support the provincial goals of a strong and vibrant economy, and safe, healthy communities and a sustainable environment.

Objective 1: *An expanded aquaculture sector (finfish and shellfish) within three years with improved financial viability and minimal environmental impact.*

To support this objective, the ministry facilitated research and development for B.C.'s finfish and shellfish aquaculture industries. Good science-based information will provide the industry with knowledge and capacity in the areas of environmental, economic and social performance.

The B.C. government is committed to high standards for environmentally responsible aquaculture. The ministry is lead agency responsible for compliance of aquaculture and commercial fisheries licences; the Ministry of Water, Land and Air Protection is the lead for enforcement in the sector. The ministry manages the seafood industry through various legislation, including the *Fisheries Act* (R.S.B.C. 1996, Chapter 149) and *Fish Inspection Act* (R.S.B.C. 1996, Chapter 148), and accompanying regulations.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Opportunity: Continued improvement to farm siting, reducing environmental interactions and identification of production strategies for farmers will increase sustainability of farming. **Risk:** Critics of the industry remain concerned over scientific uncertainty, the industry's ability to reduce environmental impacts to acceptable levels, and the adequacy of regulatory regimes, resulting in reduced support for aquaculture industry.	Ensure existing and new finfish farms are in appropriate locations, which may require relocation of some operations.	• Four sites had environmental reviews and have received full federal and provincial approvals (one pilot project, three "new"). • Supported DFO, providing environmental reviews through computer-modeled impact assessments and environmental capability assessments for all tenure renewal and new farm sites. • Supported DFO in refinement of key model parameters and model validation of DEPEMOD analysis tool, used to create models of farm sites, resulting in improved performance.
Risk: Lack of community support inhibits the sector's ability to conduct business. Over-regulating reduces industry's ability to be competitive. The current federal Canadian Shellfish Sanitation Program (CCSP) constrains industry development in remote coastal communities.	Develop a management framework that meets environmental objectives without unduly inhibiting the sector's ability to conduct business.	• Implemented a Memorandum of Understanding (MOU) with DFO for mandatory Fish Health Management Plans for all operational aquaculture organizations to satisfy federal *Canadian Environment Assessment Act* requirements. • Initiated the Strengthening Farming approach to shellfish aquaculture to promote strong working relationships between local and provincial governments and the aquaculture community. • Facilitated Environment Canada's policy improvements for reform of the CSSP to address industry development issues in remote areas of B.C.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Opportunity: Diversification will provide access to new markets and grow the aquaculture industry. **Risk:** B.C. does not expand into new finfish species such as sturgeon and sablefish, market demand is met by other countries, resulting in smaller market share for B.C.	Encourage diversification to new finfish species.	• Provided fish health assessments for farmed sablefish (black cod) hatchery in producing juveniles for marine grow-out. • Developed sturgeon aquaculture policy to support growth of sturgeon farming, a new finfish species for aquaculture. • Provided formal support to the Aboriginal Aquaculture Association.
Opportunity: Strong compliance and enforcement regime supports growth of the industry as it provides a response to barriers created by negative public perception. **Risk:** Failure to inspect farms may increase public concern regarding regulatory practices of industry. Public not confident in aquaculture development; growth is delayed.	Monitor compliance with waste management and escape standards through an improved and harmonized compliance and enforcement regime.	• Conducted inspections of all finfish farms (76 inspections in total). • Investigated 36 escape incident reports (note: many were not escapes, but involved reports such as holes in nets that had potential to lead to escapes). These inspections and subsequent follow-ups ensured industry was complying with environmental standards established by government, increasing public confidence in the ministry's regulation of the industry.
Opportunity: PCFAM provides mechanism for assuring accountability at the Ministerial level. **Risk:** Incomplete implementation of the Oceans MOU and subsidiary agreements can result in industry environmental performance not improving.	Participate in coastal and marine planning to maximize environmental performance, reduce conflict among resource users and enhance access to resources.	• Co-signed MOU respecting Canada's Oceans Strategy on the Pacific Coast, addressing the challenges of modern oceans management for the 21st century. • Assisted in the completion of a draft subsidiary MOU on marine protected areas (MPA) to create a system for MPA's on Canada's Pacific Coast.

Objective 2: *Greater provincial influence over federal policy and management of the B.C. wild fishery to increase revenues to the B.C. seafood sector.*

B.C. wild fisheries face many challenges, particularly in the area of management and regulation of industry. As federal and provincial governments share responsibility for marine fisheries, effective relationships are necessary for sector development and for enhancing innovation and profitability. Increasing provincial influence for management of B.C. wild fisheries will strengthen the province's ability to reach its goals of a strong and vibrant economy and a sustainable environment.

Key Risks/Opportunities	Key Strategies	Performance Highlights

Opportunity:
Working jointly on fisheries issues is of mutual advantage to Canada and B.C. and will result in better decisions and meet public expectations for seamless fisheries governance.
Creation of a comprehensive provincial/federal strategy and harmonization protocol on First Nation consultation requirements for finfish and shellfish aquaculture.
Risk:
Policy and regulatory reforms to enhance industry competitiveness and profitability are controversial and may be resisted by some stakeholders.
Federal *Fisheries Act* and DFO policies limit ability to share decision-making with provinces.
	Establish a new working relationship with the federal government that supports joint decision-making for the management of B.C.'s wild fishery resources without interfering with federal constitutional authority.	• Completed a major review of the Pacific fisheries (the Federal Provincial Task Force on Post-Treaty Fisheries) and followed up with discussions and strategic initiatives leading to the creation of an interest-based, joint decision-making institution for the fisheries.
		• B.C. engages DFO, through the Pacific Council of Fisheries and Aquaculture Ministers (PCFAM), to advance provincial objectives for fisheries management and economic development. B.C. and DFO have agreed to establish four specific sub-committees under the Pacific Fisheries and Aquaculture Committee Working Group (PFAC-WG), and to develop and monitor action plans to enhance cooperation and the implementation of specific initiatives:
		  • Fisheries Management;
		  • Oceans;
		  • Aquaculture; and
		  • Aquatic Habitat.

Performance Measure and Results

Performance Measure: A new relationship with the federal government regarding provincial influence on fisheries and aquaculture decision-making.

B.C. continues to engage Fisheries and Oceans Canada through the Pacific Council of Fisheries and Aquaculture Ministers (PCFAM), in a more structured and disciplined relationship, to better advance provincial objectives for fisheries management and economic development.

Performance Measure	2004/05 Target	2004/05 Actual	2004/05 Variance
A new relationship with the federal government regarding provincial influence on fisheries and aquaculture decision making.	(1) Develop work plan to operationalize the Pacific Council's objectives.	(1) DFO accepted B.C. proposal to establish four specific sub-committees (Fisheries Management, Oceans, Aquaculture and Aquatic Habitat) under the Pacific Fisheries and Aquaculture Committee Working Group. Sub-committees work plans are under development for implementation in 2005/06.	Achieved
	(2) Hold annual meetings of federal and provincial ministers.	(2) PCFAM federal/provincial ministers met in December 2004 to discuss key agenda issues, including the joint decision-making framework and the Pacific Salmon Forum; Canadian Council of Federal, Provincial and Territorial (CCFAM) ministers also met in September 2004.	Achieved
	(3) Implementation of an umbrella MOU respecting Canada's Oceans Strategy, in concert with other provincial agencies.	(3) In September 2004, the bilateral MOU respecting Canada's Oceans Strategy was signed and finalized. A subsidiary MOU is now in progress.	Achieved

Goal 3: Safe, high-quality B.C. products from sustainable agri-food systems.

Core Business: Food Safety and Quality

Profitability and growth depend on continued consumer confidence, access to markets and assurance that production systems and products are protected against key diseases and pests, and associated risks to human health are minimized. Attainment of this goal will encourage a strong and vibrant economy and will support safe, healthy communities and a sustainable environment.

Performance Measure and Results

Performance Measure: Annual external evaluation of the food system and products by a panel of experts.

The 2004/05 - 2006/07 ministry service plan included the performance measure: *Annual external evaluation of the food system and products by a panel of experts.*

The ministry did not proceed with the evaluation of the food system as planned. Instead, it aligned itself with the comprehensive national survey 'Canadian Perceptions of Food Quality and Safety — 2004' conducted by Ipsos Reid for Agriculture and Agri-Food Canada.

Survey results indicate that 89 per cent of respondents rate the 'overall quality of food produced in Canada' as 'Excellent quality' or as 'Good quality'. In addition 90 per cent are 'completely confident' or 'somewhat confident' that 'food produced in Canada is safe'.

Due to the substantial cost the ministry does not plan to conduct British Columbia-only consumer surveys on an annual basis. The ministry is planning a 2005 study of British Columbia consumer perceptions to augment federal data.

Objective 1: *Agriculture, food and fisheries production systems are protected against key animal, fish and plant diseases and pests, and food and human health risks are minimized.*

Key Risks/Opportunities	Key Strategies	Performance Highlights

Opportunity:
Early detection of invasive alien species provides greater opportunity for eradication.
Rapid identification of foreign animal diseases provides quick response and reduced risk.
Risk:
Undiagnosed plant diseases and pests cause crop losses and reduce profits of producers.
Invasive plant diseases and pests introduced outside of their natural habitat threaten biodiversity of natural ecosystems.
Lack of active surveillance for BSE may jeopardize reestablishment of international trade in beef and cattle.
	Provide early diagnosis of animal, fish and plant diseases and pests, develop intervention plans to minimize economic losses, and offer monitoring to reduce or eliminate risks to human health.	Plant Diagnostics
		• Diagnosed over 7,900 samples, supporting testing of plants for Sudden Oak Death and blueberry scorch virus.
		Plant Health
		• Facilitated establishment of the Invasive Plant Council of B.C. to build cooperation and coordination to protect B.C.'s environment and minimize negative social and economic impacts caused by introduction, establishment and spread of invasive plants.
		• Effected improved provincial co-ordination in managing and controlling invasive plants on Crown lands through an Inter-ministry Invasive Plant Committee providing:
		  • $3.4 million toward invasive plant management and control activities on Crown land; and
		  • $2.35 million in new provincial funding for local delivery of invasive plant control programs.
		• $1 million to support continued implementation of the Okanagan-Kootenay Sterile Insect Release Program.
		• Financial and technical support provided for two aerial spray programs against gypsy moth; as a result, target infestations were either eliminated or significantly reduced.

Key Risks/Opportunities	Key Strategies	Performance Highlights
		Animal Diagnostics • Borders remained open to poultry industry as a result of the quick response to the Avian Influenza outbreak in the Fraser Valley poultry industry. The ministry, working with CFIA, contained and eradicated the virus and helped restore the industry to normal functioning level. • Provided active surveillance for West Nile virus and demonstrated the virus had not occurred in B.C. • Established a laboratory testing program for BSE within the Animal Health Centre. • Received and tested approximately 5,000 submissions, allowing for monitoring of disease in B.C. animals. Aquatic Animal Diagnostics • Provided active disease and sea lice monitoring program for farmed salmon. • Collected several hundred samples of wild salmon, checking for specific diseases and parasitic agents. • Developed surveillance program in response to ministry identification of *Bonamia* in flat-shelled oysters in B.C.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Opportunity: Industry development and adoption of food safety programs can facilitate sector growth. **Risk:** Unaddressed food safety hazards may lead to increased public health costs.	Identify food safety risks and develop plans to eliminate or reduce risks while minimizing economic losses.	• Food safety and quality (FSQ) information developed and updated on the FSQ branch website and on InfoBasket. • A Food Safety Risk Profile was developed to identify key agricultural pathogens with significance to public health, to increase awareness of the health implications, and begin to focus attention on these.
Risk: Lack of integrated and effective traceability systems may lead to reduced market access and inefficient emergency responses. Governance responsibility for quality standards not addressed by industry groups resulting in a lack of standards for B.C. products, reducing the ability to compete in global market.	Promote systems that track B.C. products from production to retail, complementing national systems.	• Initiated an assessment of traceability in B.C. to provide the context for future activities. • Identified food quality issues and needs for the agri-food sector.
Opportunity: Development of outcome-based, nationally equivalent regulations can free-up industry from onerous processes and improve industry efficiency, while maintaining food safety.	Revise existing regulations so they define standards expected for the safety of the products rather than focusing on how to produce them, shifting government's role to oversight, audit and risk assessment.	• In partnership with Ministry of Health Services, promoted the new outcome-based Meat Inspection Regulation. • Facilitated community sessions to broaden awareness and understanding of the need for province-wide meat inspection regulations. • Supported development of dairy farm regulations under the *Food Safety Act*.

Objective 2: *B.C.'s agri-food industries are supported through the development, implementation and maintenance of plant, fish and animal health, food safety and quality management systems that are economically, environmentally and socially sustainable.*

Key Risks/Opportunities	Key Strategies	Performance Highlights
Opportunity: Assuring consumers of product quality attributes can support B.C. agri-food industry market development. Building a national organic system can sustain growth in this sector.	Encourage the agriculture, fisheries (including aquaculture) and food industries to adopt quality programs.	• Established The B.C. Wines of Marked Quality Regulations as provincial quality standards for 100 per cent B.C. grape wine production. • Continued development of a specialty egg quality program. • Participated in an ongoing process to develop a national organic system.
Opportunity: Adoption of Hazard Analysis Critical Control Points (HACCP) systems can foster viable and competitive industries. Inter-agency coordination can improve when responding to foodborne illnesses.	Influence federal policies and programs through the Agriculture Policy Framework for food safety programs and direct federal resources to meet B.C.'s objectives.	• Secured federal funding commitment tailored to B.C. priorities under the Food Safety Initiatives program of the Agricultural Policy Framework. • Engaged the B.C. Centre for Disease Control and regional health authorities in preparing the B.C. implementation proposal to encourage adoption of HACCP systems in non-federally registered food processing facilities. • Influenced federal direction through participation in the development of the Foodborne Illness Outbreak Response Protocol.

Key Risks/Opportunities	Key Strategies	Performance Highlights

Opportunity:
Awareness of disease pathways will reduce the risk of spread.
Establishing an effective certification program will reduce the risk of disease and provide access to trade.
Risk:
Improperly used pesticides cause food safety and environmental risks.
Federal and provincial priorities may not be aligned regarding the use of reduced-risk products as part of an integrated pest-management program.
	Strengthen prevention programs for diseases and pests of animals, fish and plants and food-borne health risks.	• Continued to lead an industry and government group to address irrigation water quality on ready-to-eat crops.
		• Addressed critical need for protecting agriculture crops, replaced old chemistry with reduced-risk products and provided broad range of information on preventative measures and identification of pathways of invasive alien species through:
		  • Registration of 18 pest management products;
		  • Continued development of B.C. crop profiles; and
		  • Launch of Pesticide Wise page on ministry website.
		• Provided technical support in the development and implementation of the Sudden Oak Death Certification Program.
		• Began feasibility study to assess addition of a Containment Level 3 Laboratory to the Animal Health Centre.

Performance Measures and Results

Performance Measure: Per cent of B.C.'s agriculture and seafood industry organizations developing or implementing an on-farm food and safety and quality program.

The 2004/05 – 2006/07 ministry service plan included the performance measure: *Per cent of B.C's agriculture and seafood industry organizations developing or implementing an on-farm food and safety and quality program.*

It was identified this year that the total number of agriculture and seafood industry organizations is not available, subsequently the ministry can not provide an actual percentage achieved this year. As a result, the measurement has been changed to the *number* of agriculture and seafood commodity groups implementing a national on-farm food and safety and quality program for the 2005/06 – 2007/08 service plan. Performance in 2004/05 was measured by tracking the *number* of B.C's agriculture and seafood industry organizations developing and implementing on-farm food safety and/or quality systems (implemented on a voluntary basis).

Results — Currently, 19 national producer associations have developed or implemented 26 on-farm food safety programs. The British Columbia commodities currently developing or implementing technically reviewed on-farm food safety programs include beef, hatching eggs, pork, eggs and chicken. Additional programs are in progress and other commodities are developing or implementing guidelines for good agricultural practices.

Performance Measure: Database of animal and plant diseases in B.C.

As a secondary measure, the ministry monitored the development and implementation of its new lab information management system to support animal and plant disease tracking in B.C. Performance results are provided in the following table:

Performance Measure	2004/05 Target	2004/05 Actual
Database of animal and plant diseases in B.C.	Improved accessibility to and the use of data by pathologists and veterinarians. Incremental improvements to plant lab database.	Not Achieved — System design functionality was improved. Enhanced reporting capabilities are planned for 2005/06. The Plant Diagnostic Lab database was updated in 2004/05, and improvements of the system are planned for 2005/06 to increase readability of reports and data management.

Goal 4: Environmentally sustainable development of the agriculture, food and fisheries sectors.

Core Business: Environmental Sustainability and Resource Development

The ministry's goal of environmentally sustainable development of the agriculture, food and fisheries sectors supports the ministry's vision and the provincial goal of a sustainable environment.

Performance Measure and Results

Performance Measure: Income growth of operations with farm environmental plans versus historic data.

The 2004/05 – 2006/07 ministry service plan included the following performance measure: *Income growth of operations with farm environmental plans versus historic data.*

It had been included to measure the outcome of environmental sustainability and economic growth. However, in 2004/05 the ministry could not relate environmental farm plans to income because the launch of the EFP program was delayed. The measure was removed from the 2005/06 – 2007/08 service plan as it was established that the necessary data will not be available from Statistics Canada annually.

Objective 1: *Agriculture, food and fisheries industries that pursue resource development using best management practices to maintain high environmental standards.*

Responsible production and environmental protection practices are key to B.C.'s agriculture, food and fisheries sectors maintaining long-term sustainability and improving the level of consumer, market and community support.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Risk: Unmanaged environmental impact of farm practices causes pollution or degradation of the environment.	Develop and promote the use of farm environmental plans[1] (including best practices standards, operating procedures and audit processes), in conjunction with producers, regions and agencies.	• 18 farm organizations entered into agreements to deliver Environmental Farm Planning (EFP) to farmers and ranchers throughout B.C. • Developed and promoted the use of EFP and now able to access implementation funding. • 168 workshops conducted with 1,620 producers attending. • 112 farms have completed and approved EFPs. • Additional publications on nutrient, riparian, water, grazing and irrigation management created.

[1] Environmental farm planning is a voluntary process to find ways to accelerate efforts to reduce agricultural risk and provide benefits to water resources, soil, air and bio-diversity under the national Agriculture Policy Framework.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Risk: Outdated environmental policies and standards can result in industry's loss of economic or environmental sustainability.	Continue to update B.C. standards, policies and regulations maximizing environmental performance of the aquaculture industry.	• Fish Health Memorandum of Understanding signed with DFO for mandatory fish health management plans to satisfy federal requirements in aquaculture. • Supplementary guidelines for the Fisheries Inspectors Policy and Procedures Manual completed. • Ongoing sea lice monitoring and auditing program in place with management guidelines provided to industry.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Risk: Drought conditions will reduce production of dryland and rangeland crops and increase input costs for farmers and ranchers. Wildlife populations increase in farming areas causing economic losses for farmers. Improper collection and disposal of sustainable risk material and livestock can pose health and environmental risks.	Work with governments, ministries and agencies on legislation, policies and strategies dealing with water, range, weeds, and other issues to the benefit of the agriculture industry.	Water Management: • Implemented a 32-point action plan through the Drought Task Force, comprised of government, private sector and stewardship groups. • Established a ministry Drought Management website. • Supported the Provincial Drought Management Strategy. • Drafted standards for building setbacks from watercourses. Wildlife Management: • Completed three 3-year pilot wildlife damage compensation projects with recommendations to continue and explore options to expand coverage. • In conjunction with the Ministry of Water, Land and Air Protection, developed a private land stewardship incentive program that will provide a revenue opportunity for landowners to offset the costs associated with having a resident wildlife population. The program is to be tested during 2005-06. Environmental Management: • Established a $5-million fund to contribute to industry implementation of affordable and environmentally sound options for disposal of animal tissue wastes that are supported by local governments to ensure the meat processing sector in B.C. is able to continue to operate supporting the economy of the province.

Performance Measure and Results

Performance Measure: Degree to which farms develop environmental plans and implement changes.

Performance is measured by initially examining the rate of adoption and implementation of environmental farm plans (EFP) as reported by the B.C. Agriculture Council. Producers are only eligible for funding assistance to implement beneficial management practices if their plan is approved by a program planning advisor. The development of EFPs is directly related to increased awareness of environmentally sustainable development on a farm. The use of funding assistance and implementation of the plans indicates environmental concerns are being addressed through best management practices.

Results — Target Not Achieved — The ministry did not meet its target for 2004/05 primarily because rollout of the program was delayed by the Avian Influenza outbreak. Despite additional delays caused by launching 18 delivery groups[2] at the onset, the program is now well-positioned for rapid uptake by farmers for 2005/06 and future years.

Performance Measure	2004/05 Target	2004/05 Actual	2004/05 Variance
Degree to which farms develop environmental plans and implement changes[1].	1,400 farms with approved environmental farm plans.	112 farms with approved environmental farm plans.	92% shortfall
	800 farms have implemented plans[2].	Less than 20 farms have implemented plans[2].	97.5% shortfall

[1] Currently there are 9,000 commercial farms in B.C.

[2] An EFP is considered implemented when the farm has addressed all regulatory non-compliance issues identified in the plan.

Objective 2: *A positive regulatory climate within local government jurisdictions to encourage investment in agriculture, food and fisheries in their communities, and to ensure production practices are responsible.*

Local government official plans and bylaws regulating land use and farm practices could conflict with the agriculture, food and fisheries sectors. The ministry, through the strengthening farming program, facilitates consultation between local governments, the farm community and the province to encourage long-term solutions that are supportive of the industry, appropriate to the community and environmentally sustainable.

[2] Groups are distinct legal farm organizations that have entered into formal agreements with B.C. Agriculture Council to be "Delivery Groups" for the EFP program.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Risk: Restrictive local government policies and bylaws can hamper the agriculture industry's ability to survive and expand, and can perpetuate urban/rural conflict.	Review local government bylaws to ensure they allow farmers to use normal farm practices.	• 42 local government bylaws reviewed and feedback provided regarding bylaw content relating to farming practice.
Risk: Local governments can affect both agriculture and aquaculture through bylaws regulating farm size, location, development and operations, resulting in bylaws that are not supportive of agriculture. **Opportunity:** Agriculture industries have a stable zoning and regulatory environment in which to plan business activities.	Develop standards to ensure bylaws are fair and supportive to agriculture.	• Agri-teams consisting of ministry agrologists and resource management planners, as well as Land Commission planners, reviewed their progress with 49 local governments that have significant agriculture land or activity within their jurisdiction.
	Work with local governments to develop official community and agriculture area plans so local governments can take action to enhance their agriculture industries.	• Developed and/or reviewed 24 official community plans, two agriculture area plans and ten other land-use plans.

Risk:
The intent of the Agricultural Land Reserve (ALR) to sustain agriculture and local food production is not realized.
	Support the formation and operation of local agriculture advisory committees that provide local governments with advice on land use planning and regulation, and other issues affecting agriculture, and develop a working relationship with the Union of B.C. Municipalities to improve awareness of agriculture sector needs.	• A provincial Agriculture Advisory Committee (AAC) workshop held with 125 in attendance, representing all 21 existing AAC's. (The committees are created by local government to advise them on agriculture issues.)
		• Supported local government planning as follows:
		  • Conducted land-use inventories (Chilliwack, Kent and Maple Ridge).
		  • Supported development of Agriculture Area Plan.
		  • Developed "Agriculture in Brief" publications for 41 communities.

Performance Measure and Results

Performance Measure: Evaluation index of local government policies and programs supporting agriculture and fisheries.

The ministry has developed an evaluation index as an indicator of success in promoting different components of the strengthening farming program with local governments. The index considers many different aspects of local government policies and programs, bylaws and zoning and develops an overall rating of the extent to which local government supports agriculture and fisheries in B.C. The index is based on an objective review of local governments with the largest agriculture industry presence; local Agri-Teams, consisting of local ministry agrologists and Agriculture Land Commission planning staff, conducted the reviews.

Results — Target Achieved — The evaluation index was improved and employed in assessing 49 local governments and a baseline was established.

Performance Measure	Benchmark	2004/05 Target [1]	2004/05 Actual [1, 2]	2004/05 Variance
Evaluation index of local government policies and programs supporting agriculture and fisheries.	Evaluation criteria in development. Baseline index established and tested.	Improvement in evaluation index over previous year.	Index improved over previous year.	Achieved

[1] The evaluation index was redesigned based on testing completed in 2003/04 with four local governments.

[2] Source: Ministry of Agriculture, Food and Fisheries.

Objective 3: *Increase the availability of Crown land for agriculture production.*

Growth in some agricultural sectors depends upon increased access to Crown land. The ministry will work with government ministries responsible for managing and disposing of Crown land to identify and act on opportunities to increase access to Crown lands suitable for agricultural production in an environmentally sustainable manner.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Opportunity: Agriculture businesses have increased access to land and forage.	Participate with Land and Water British Columbia Inc. (LWBC) and the Ministry of Sustainable Resource Management (MSRM) in pursuing increased access to Crown land for agriculture and facilitating the development and productive use of these lands.	• Environmental review guidelines for applications received under the Extensive Agriculture Program for unplanned areas were developed and adopted for use by LWBC. • Assisted MSRM with completion of four coastal plans to support sustainable marine development and diversification for Quatsino Sound, the Malaspina and Okeover Inlets system and Johnston-Bute Inlet. • 12,000 hectares of Crown land identified for agriculture expansion in the Morice Forest District. • 15,955 hectares of Crown land identified for agriculture expansion on Vancouver Island. • Capability and suitability analysis projects initiated in the Cariboo, Bulkley and East Kootenay areas.
	Participate with the Ministry of Forests and other ministries to maintain and enhance access to Crown forage and rangelands for livestock grazing.	• The *Land Act* grazing lease program will continue and existing leases are being renewed for a 20-year term. • Provided technical input to the Forest and Range Practices legislation and *Range Act* and Regulation revision.

Performance Measure and Results

Performance Measure: Production capacity of Crown ALR land for grazing and availability for agricultural use.

A key measure of increased availability to Crown lands is the Crown land production capacity available to the agriculture sector for grazing.

Results — Exceeded Target

Performance Measure	Year	Target[1,3]	Actual[1,3]	Variance
Production capacity[2] of Crown ALR land for grazing and availability for agricultural use.	**2004/05**	Maintain animal unit months (AUM) of grazing capacity of 897,000 AUM.	938,300	4.6% increase
	2003/04		950,692	
	2002/03		954,951	
	2001/02		944,187	

[1] Includes graze, hay-cutting, and forage in-growth.

[2] Capacity is expressed in terms of Animal Unit Months, which is the amount of forage consumed by a mature cow (with or without a calf up to six months of age) during one month.

[3] Source: B.C. Ministry of Forests.

Goal 5: Reduced impact of income declines for farmers in agricultural sectors affected by disasters.

Weather hazards, natural disasters, diseases, pests and erratic markets can cause losses and lead to income instability in specific commodities. The ministry delivers risk management programs, in partnership with the federal government, to support farmers through income stabilization. These programs assist industry to avoid the risk of significant income variability, minimize the risk of ad hoc government financial responses and support the ministry's mission to deliver programs that maintain a positive business climate for a competitive market-responsive agri-food sector.

Core Business: Risk Management

Performance Measure and Results

Performance Measure: Minimal decline in farm incomes as measured by annual change from 5-year rolling average for agricultural sectors affected by disasters.

The ministry is fostering a shared risk management approach with programs that stabilize income fluctuations so farmers can continue operating through downturns and remain competitive.

Results — Target Not Achieved — The larger per cent decline from the previous five-year average was a result of impacts of Avian Influenza in the poultry sector and continued U.S. border closure to B.C. cattle and other ruminants.

Performance Measure	2004/05 Target[1]	2004/05 Actual[1]	2004/05 Variance
Minimal decline in farm incomes as measured by annual change from 5-year rolling average for agricultural sectors affected by disasters.	Reduced annual deviation compared to a -6.5% in 2003 against the previous 5-year average (1998 - 2002)	A decline of -19.4% in 2004 against a 5-year average (1999 - 2003)	12.9% increased deviation

[1] Source: Statistics Canada.

Objective 1: *A comprehensive risk management approach for farmers which provides a predictable response to uncontrollable and unpredictable disasters, such as weather hazards, natural disasters, disease, pests and market declines, and is consistent with trade obligations.*

Production Insurance and the Canadian Agricultural Income Stabilization (CAIS) programs are two key risk management programs jointly delivered for B.C. farmers by the ministry and the federal government. The programs are actively promoted by government and agriculture producer groups, and are part of the Business Risk Management chapter of the Agricultural Policy Framework.

The CAIS program, which replaced the B.C. whole farm program, in 2004, integrates stabilization and disaster protection by helping producers protect their farming operations from both small and large income drops. CAIS reduces the financial impact of losses beyond the farmer's ability to control, and reduces the demand for ad hoc financial assistance outside of existing programs. It is a whole-farm program for eligible farmers regardless of the commodities produced. Program payments, which include funds from individual farmer accounts and a government contribution, are made in years when the participant's income margin in the program year falls below their reference margin.

Production Insurance offers financial protection against crop losses due to uncontrollable weather.

Key Risks/Opportunities	Key Strategies	Performance Highlights

Risk:
 	
Low farmer participation in CAIS and Production Insurance results in pressure to government to provide ad hoc funding in times of income/ production losses.
 	
Premium increases in Production Insurance result in decline in participation of producers.
 	
If B.C. is not able to meet revised requirements of the Canada-British Columbia Agriculture Policy Framework to revise its premium cost-sharing parameters by March 31, 2006, bringing them in line with national guidelines, they would face lower federal contributions to the program.
	Maximize farmer participation through effective communication, marketing and overall delivery of Canadian Agricultural Income Stabilization (CAIS) and Production Insurance so that the combined federal/provincial investment provides fair effective level of support.	**CAIS:**
		
		• Scheduled 20 information workshops throughout B.C. with attendance of approximately 1,200 producers, to secure the highest possible level of participation.
		
		• Targeted the cattle industry as a specific sector facing market disaster due to the continued closure of the U.S. border. A significant outreach campaign was conducted in 2004, resulting in more than 600 new participants to the CAIS program.
		
		• Partnered with the federal government to provide $55.6 million in short- and long-term financial assistance for farmers and ranchers affected by BSE through CAIS and other ad hoc federal-provincial programs including:
		
		  • CAIS (37.6 M);
		
		  • Cattle Set-Aside (11.75 M); and
		
		  • Other (6.3 M).
		
		Production Insurance:
		
		Government response to farmers reduced the negative financial impact resulting from damage to crops by uncontrollable weather. Highlights include:
		
		• Provided record level coverage in 2004 of $297.7 million for over 5,700 insurance policies.

Key Risks/Opportunities	Key Strategies	Performance Highlights

		• Responded to:
		  • The September snowfall in the Peace River region with payments in excess of $3.5 million for losses;
		  • Losses in the tree fruit sector with payments exceeding $6 million; and
		  • Early fall rains causing losses in vegetable sector with payments of over $1.6 million.
		• Successfully negotiated the parameters that best meet B.C.'s Production Insurance policy objectives, resulting in minimal premium increases.

	Create partnerships or improved linkages with the private sector to increase the efficiency of risk management tools available to farmers in B.C.	• Developed a new Production Insurance product that will be provided to the daffodil industry, with coverage for bulb losses in 2005. • The ministry worked with the aquaculture and poultry industries to examine and explore risk management tools to address fish and animal health disease losses.
Opportunity: Significant opportunities exist to provide integrated risk management services to producers by integrating management of the two programs.	Integrate policy development and program delivery of CAIS and Production Insurance to maximize the over-all effectiveness and efficiency of risk management programs.	Integration of policy and program development of CAIS and Production Insurance is ongoing: • Financial and administrative functions and program experts are fully integrated.

Performance Measure and Results

Performance Measure: Levels of participation in risk management programs — as measured by per cent of farmers (> $50k in gross sales) enrolled in either of the programs.

Tracking the enrollment levels in risk management products, primarily CAIS and Production Insurance, provided a method to track participation for those farms with a gross income over $50,000. It also provides a benchmark for coverage to farmers to provide assurance that the sector can endure uncontrollable and unpredictable disaster.

Results — Target Exceeded — Government has generally accepted that target of 70 per cent to legitimize the program. Both Production Insurance and CAIS are demand driven, thus the objective is to exceed the target on an ongoing basis, but not necessarily achieve 100% participation; recognizing that the programs cannot meet all farmers' needs.

Performance Measure	2004/05 Target[1]	2004/05 Actual	2004/05 Variance
Levels of participation in risk management programs — as measured by per cent of farmers (> $50k in gross sales) enrolled in either of the programs.	70% of farmers (> $50k gross income) enrolled in CAIS or Production Insurance.	CAIS: 81%[2] Production Insurance: 76%[3]	CAIS — 11% above target Production Insurance — 6% above target

[1] Targets represent the national standard for the minimum level of coverage to minimize risk of ad hoc demands for assistance in the face of natural disaster for farmers.

[2] 4,877 participants out of 6,000 farms (> $50k in gross sales).

[3] 2,318 participants out of 6,000 farms (> $50k in gross sales).

Objective 2: *A policy framework for marketing boards that increases B.C.'s share of national allocations, provides better governance, improves market responsiveness, and encourages specialty products and further processing in B.C. over a three-year period.*

British Columbia's regulated marketing system facilitated cooperation among industry achieving efficiencies throughout the entire system, and enhanced value in the marketplace. B.C. is supportive of the national supply management systems in place for dairy, poultry and eggs and is actively pursuing establishment of improved market responsiveness, particularly with respect to meeting specialty market demands. The province sees opportunities for growth in its national allocations and further opportunities for adding value within these commodities.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Opportunity: Regulated marketing systems are more accountable and market responsive, and B.C. acquires production quota to meet market growth. **Risk:** Regulated marketing constrains the ability of producers to respond to changing consumer demands for specialty products.	Implement the recommendations of the regulated marketing review completed in 2002/03.	Recommendations from the review have been fully implemented. Highlights include: • Adoption of the Regulated Marketing Economic Policy, providing a clear framework of government's expectations for the regulated marketing system overall. • Improved governance structure that includes the appointment of all board chairs, providing for accountability and the ability to measure performance. • Established Memoranda of Understanding with the appointed board chairs, providing a means to monitor the application of the Regulated Marketing Economic Policy within each sector. • Established the policy framework for the supply managed sectors to meet the growing consumer demand for specialty products. B.C. began actively pursuing improvements to national supply management systems in 2004/05 and is continuing to do so in order to: • Establish improved market responsiveness to increase B.C.'s allocations. • Improve the prospects for adding value, particularly with respect to specialty production and further processing opportunities.

Performance Measure and Results

Performance Measure: B.C.'s share of Canadian sales of supply-managed commodities compared to B.C.'s per cent of Canadian population (13.1%) or as market demands.

Measuring B.C.'s share of the total Canadian sales of supply-managed commodities reflects the ministry's progress for this objective.

Results:

Milk — Target Not Achieved — commodity has seen a slight decrease.

Chicken, Turkey, Eggs, and Broiler Eggs — Target Not Achieved — downturn in B.C's share of Canadian sales for these commodities is due to Avian Influenza outbreak.

Performance Measure	Baseline	2004/05 Target	2004/05 Actual	2004/05 Variance
B.C's share of Canadian sales of supply-managed commodities compared to B.C's per cent of Canadian population (13.1%) or as market demand dictates.		Gradual increase toward 2006/07 targets (includes those commodities with growth potential) 2006/07 targets:		**Status: Not Achieved**
	Milk — 8.8%	Milk — 10%	Milk — 8.5%	Milk — 0.3% decrease
	Chicken —15.1%	Chicken —15.1%	Chicken— 12.7%	Chicken — 2.4% decrease
	Turkey — 10.6%	Turkey — 13.1%	Turkey — 8.8%	Turkey — 1.8% decrease
	Eggs — 12.9%	Eggs — 13.1%	Eggs — 7.1%	Eggs — 5.8% decrease
	Broiler Eggs — 16.2%	Broiler Eggs — 16.2%	Broiler Eggs — 9.9%	Broiler Eggs — 6.3% decrease

Goal 6: Effective policy framework and administrative and financial systems in place that facilitate the ministry's achievement of its service plan objectives and ensures the ministry is well positioned for the future.

Core Business: Executive and Support Services

The ministry's success depends on effective corporate functions and human resource planning. Policy, legislative, administrative and financial services assist the ministry in

achieving key goals and objectives and ensure its business areas work effectively, use resources strategically and maintain a high level of accountability to British Columbians.

Objective 1: *A comprehensive human resource management plan that documents the ministry's commitment to a supportive, rewarding and motivating work environment where employees are valued and service excellence is achieved.*

Key Risks/Opportunities	Key Strategies	Performance Highlights
Opportunity: Introduction of modern human resource (HR) practices enables the ministry to successfully compete for and retain staff. **Risk:** Lack of ministry resources (manager HR expertise and time) to manage new HR initiatives at the branch level reduces program success.	Implement strategies as described in the ministry's Human Resource Management Plan.	Key HR initiatives identified in the Human Resource Management Plan (HRMP) were initiated, including: • Employee Performance Development Plans; • Flexible Work Arrangements; and • Succession Planning.
Opportunity: Participation in development of corporate HR initiatives provides opportunity to raise ministry profile and requirements. **Risk:** Time commitment to corporate initiatives reduces resource for ministry strategies.	Develop and build strategic alliances with the B.C. Public Service Agency and other partners to ensure the ministry's trends and issues are considered in the development of corporate human resource policies and strategies.	The ministry participated on the following corporate initiatives: • Competency Continuation; defining the competencies required by various occupational group; • Corporate Mentoring Program and Succession Planning; preparing staff to take on leadership roles in the ministry and public service.

Objective 2: *Effective policy framework and administrative and financial systems in place to facilitate the ministry's achievement of its service plan objectives and ensure the ministry is well positioned for the future.*

Good policy guides ministry activities and enables effective performance in relation to the ministry's service plan goals. The legislative, policy and regulatory environment within which the agriculture, food and fisheries sectors operate is complex and involves many provincial ministries and agencies, federal and local government and First Nations. The ministry needs to work successfully with other agencies whose policies and regulations have an impact on the agriculture, food and fisheries sectors in order to achieve an effective strategic policy framework.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Risk: Key policy frameworks not up-to-date with ministry service plan objectives.	Support the development and refinement of policies in the ministry's core business areas as needed through advice and expertise.	***Status: On Track*** • Economic Policy Framework established for the Regulated Marketing Sector. • Policy content developed jointly with Ministry of Health Services (MOHS) regarding food safety to provide context for implementation of the Food Safety and Quality Chapter of the APF.
Risk: National policy may not reflect B.C.'s position adequately or accurately.	Lead the development of corporate policy and legislation, and provide ongoing support to executive on government-wide objectives and initiatives.	***Status: On Track*** • Provided policy support and agriculture and fisheries concerns to inter-ministry committees responding to federal initiatives such as Climate Change and *Species at Risk Act*. • Provided input to federal/provincial/territorial working group developing a National Food Policy Framework to ensure it was supportive of B.C.'s perspective. • Provided policy support for a Food Policy Charter, including: a) Shared responsibility for food safety; b) Management of the animal disease/human disease interface; and c) ActNow healthy eating strategy. The charter will document roles and responsibilities for the ministry, associated agencies and the Ministry of Health Services (MOHS), increasing effectiveness in responding to food safety, animal/public health issues and promoting preventative health care based on healthy eating choices.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Risk: Competing policy and regulatory objectives may result in uncertainty for industry and stakeholders.	Continue developing strategic relationships with provincial ministries, other levels of government and other agencies to ensure they understand and support agriculture, food and fisheries policies in efforts to optimize economic growth for B.C.	***Status: On Track*** • Developed strong working relationship with MOHS through advancing development of inter-ministry protocol. An example of output of this partnership includes: • Development of a proposal, partnering with MOHS, to deliver an extensive multi-level outreach program targeted at approximately 1,450 eligible processors throughout the province. The aim was to advance good manufacturing practices and/or HACCP food safety systems in these processing facilities.

Performance Measure and Results

Performance Measure: A strategic policy framework that improves the economic climate, meets deregulation targets and ensures business areas are founded on a firm policy and legislative base.

The progress made within a strategic policy framework directly supports the ministry's ability to meet its goals and objectives.

Performance Measure	2004/05 Target	2004/05 Actual
A strategic policy framework that improves the economic climate, meets deregulation targets and ensures business areas are founded on a firm policy and legislative base.	Agriculture Policy Framework contribution agreements in place.	***Status: Achieved***

Performance Measure	2004/05 Target	2004/05 Actual
	Fisheries and Aquaculture for the 21st century.	***Status: On Track*** Policy development underway. • First draft of a comprehensive, government-wide Fisheries Strategic Framework has been completed, based on the B.C. Seafood Sector and Tidal Water Recreational Fishing SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis and other reports. ***Status: On Track*** Development of Certainty for All Strategy. • Completion of a major review of the Pacific Fisheries (the Joint Federal Provincial Task Group on Post-Treaty Fisheries) in 2004 and follow-up work by the ministry yielded announcement of a federal Pacific Fisheries Renewal Strategy. The strategy will be implemented in 2005/06 and will facilitate progress in treaty negotiations and enhance the economic performance of the Pacific fisheries.
	Complete implementation of recommendation of the regulated marketing review.	***Status: Achieved***

Objective 3: *Manage priority risks associated with the programs, operations and assets of the ministry.*

The ministry's ability to identify and manage priority risks associated with programs directly affects the success of ministry strategies which support the ministry in the attainment of its vision and mission.

Key Risks/Opportunities	Key Strategies	Performance Highlights
Risk: A lack of formal enterprise-wide risk management techniques may expose the ministry to unforeseen risks for programs and services.	Develop and implement risk management strategies at all levels in the ministry.	• Hired employee to lead Enterprise-wide Risk Management (ERM) initiative. • Initiated ERM process within ministry.

Performance Measure and Results

Performance Measure: Effective risk management.

Performance Measure	2004/05 Target	2004/05 Actual
Effective risk management	Documented risk management strategies at the branch, business area and ministry level. Performance measures to monitor key risks developed for all business areas.	***Status: In Progress*** The ministry began to document key risks and opportunities.

Deregulation

The ministry exceeded the 2004/05 target by five per cent, supporting the government-wide initiative of deregulation to ensure British Columbia's regulatory climate enables economic development and innovation.

Report on Resources

The Resource Summary outlines actual expenditures, FTEs and other financing transactions to amounts estimated by core business area. Please note change in presentation for variance it is now calculated as "Actual" minus "Estimated" = "Variance".

2004/05 Resource Summary

Core Business Area	Estimated	Other Authorizations[1]	Total Estimated	Actual[2]	Total Variance (Actual minus Estimated)[3]
Operating Expenses ($000)					
Industry Competitiveness	**4,540**	**9,100**	**13,640**	**14,103**	**463**
Expenditures	4,557	9,100	13,657	14,120	463
Recoveries	(17)	—	(17)	(17)	—
Fisheries and Aquaculture Management	**4,502**	—	**4,502**	**4,804**	**302**
Expenditures	4,504	—	4,504	4,804	300
Recoveries	(2)	—	(2)	—	2
Food Safety and Quality	**3,854**	**3,400**	**7,254**	**7,348**	**94**
Expenditures	6,378	3,400	9,778	10,114	336
Recoveries	(2,524)	—	(2,524)	(2,766)	(242)
Environmental Sustainability and Resource Development	**2,546**	**5,000**	**7,546**	**8,216**	**670**
Expenditures	6,880	5,000	11,880	12,429	549
Recoveries	(4,334)	—	(4,334)	(4,213)	121
Risk Management	**19,357**	**17,863**	**37,220**	**36,295**	**(925)**
Expenditures	20,998	17,863	38,861	49,096	10,235
Recoveries	(1,641)	—	(1,641)	(12,801)	(11,160)

[1] Other authorizations of $35,485 were obtained for Supplementary Estimates and Contingencies for assistance to producers as part of the provincial response to Bovine Spongiform Encephalopathy and Avian Influenza, and for other initiatives, including crop insurance funding, research, innovation and increasing the competitiveness of the B.C. food industry.

[2] Recoveries:

Agriculture Policy Framework	6,877
Production Insurance — Consolidation	11,088
Production Insurance — Administration	1,713
Payments Based on Contributions*	19,445
Other	122
	39,245

[3] Surpluses arising from Risk Management and Executive and Support Services were used to support the achievement of Industry Competitiveness, Fisheries and Aquaculture Management and Environmental Sustainability and Resource Development.

* Details available in the 2004/05 Public Accounts.
Payments based on Contributions pursuant to Section 25(1) of the *Financial Administration Act, 1996*.

Core Business Area	Estimated	Other Authorizations[1]	Total Estimated	Actual[2]	Total Variance (Actual minus Estimated)[3]
Executive and Support Services	**9,893**	—	**9,893**	**9,279**	**(614)**
Expenditures	9,968	—	9,968	9,282	(686)
Recoveries	(75)	—	(75)	(3)	72
Contingencies (All Ministries) and New Programs					
Pacific Salmon Forum	—	95	95	95	—
Waste Transfer Station	—	27	27	27	—
Statutory — Payments Based on Contribution, Disbursements	—	—	—	19,445	19,445
Payments Based on Contribution, Receipts	—	—	—	(19,445)	(19,445)
Total	**44,692**	**35,485**	**80,177**	**80,167**	**(10)**
Expenditures	53,285	35,485	88,770	119,412	30,642
Recoveries	(8,593)	0	(8,593)	(39,245)	(30,652)
Full-time Equivalents (Direct FTEs)					
Industry Competitiveness	43	—	43	43	0
Fisheries and Aquaculture Management	47	—	47	43	(4)
Food Safety and Quality	58	—	58	56	(2)
Environmental Sustainability and Resource Development	66	—	66	63	(3)
Risk Management	43	—	43	30	(13)
Executive and Support Services	69	—	69	64	(5)
Total	**326**	**0**	**326**	**299**	**(27)**

[1] Other authorizations of $35,485 were obtained for Supplementary Estimates and Contingencies for assistance to producers as part of the provincial response to Bovine Spongiform Encephalopathy and Avian Influenza, and for other initiatives, including crop insurance funding, research, innovation and increasing the competitiveness of the B.C. food industry.

[2] Recoveries:

Agriculture Policy Framework	6,877
Production Insurance — Consolidation	11,088
Production Insurance — Administration	1,713
Payments Based on Contributions*	19,445
Other	122
	39,245

[3] Surpluses arising from Risk Management and Executive and Support Services were used to support the achievement of Industry Competitiveness, Fisheries and Aquaculture Management and Environmental Sustainability and Resource Development.

* Details available in the 2004/05 Public Accounts.
Payments based on Contributions pursuant to Section 25(1) of the *Financial Administration Act, 1996*.

Core Business Area	Estimated	Other Authorizations[1]	Total Estimated	Actual[2]	Total Variance (Actual minus Estimated)[3]
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Industry Competitiveness	22	—	22	2	(20)
Fisheries and Aquaculture Management	483	—	483	122	(361)
Food Safety and Quality	346	—	346	124	(222)
Environmental Sustainability and Resource Development	812	—	812	387	(425)
Risk Management	106	—	106	199	93
Executive and Support Services	88	—	88	59	(29)
Totals	**1,857**	**0**	**1,857**	**893**	**(964)**
Other Financing Transactions ($000)					
Industry Competitiveness *Agriculture Credit Act* **(Agricultural Land Development Program) — Net Cash Source**	765	—	765	845	80
Risk Management Production Insurance Stabilization — Receipts	3,000	—	3,000	—	3,000
Production Insurance Stabilization — Disbursements	3,000	—	3,000	—	3,000
Total Net Cash Source (Requirement)	**765**	**0**	**765**	**845**	**80**

[1] Other authorizations of $35,485 were obtained for Supplementary Estimates and Contingencies for assistance to producers as part of the provincial response to Bovine Spongiform Encephalopathy and Avian Influenza, and for other initiatives, including crop insurance funding, research, innovation and increasing the competitiveness of the B.C. food industry.

[2] Recoveries:

Agriculture Policy Framework	6,877
Production Insurance — Consolidation	11,088
Production Insurance — Administration	1,713
Payments Based on Contributions*	19,445
Other	122
	39,245

[3] Surpluses arising from Risk Management and Executive and Support Services were used to support the achievement of Industry Competitiveness, Fisheries and Aquaculture Management and Environmental Sustainability and Resource Development.

* Details available in the 2004/05 Public Accounts.
Payments based on Contributions pursuant to Section 25(1) of the *Financial Administration Act, 1996*.